



## West Orange Municipal Federal Credit Union

342 Main Street • West Orange, NJ 07052 • 973-326-1100

December 28, 2010

Federal Reserve Board

Re: Regulation Z - Docket No. R-1390

Dear Federal Reserve Board:

My credit union is very concerned with the Federal Reserve Board's recent proposal that will mandate specific disclosures for payment protection products, including credit life, credit disability, and debt cancellation and debt suspension coverage. These types of products provide members with peace of mind, especially for those members who do not have, and may not qualify for, other types of insurance. These products also help protect members' credit ratings, which is invaluable in ensuring that they have continued access to credit at reasonable rates.

I'd like to tell you the story of two women, two [REDACTED] and two very different endings to an unexpected loss of income. Member D.S. had a [REDACTED] at home, was rushed to the hospital by EMT's and after surgery recuperated in the hospital and at home for many months. Her family contacted the credit union to get the ball rolling on her credit disability insurance claim. After the 30 day waiting period in the policy her credit disability insurance made payments every month until the loan was paid in full. D.S. has been declared totally disabled at the age of [REDACTED]. She is starting to receive a disability pension from her employer but her credit rating is intact thanks to credit disability insurance.

Contrast that with member C.R. who had a [REDACTED] at work and was nearly lost before a co-worker performed CPR. Rushed to the hospital she again nearly slipped away. Months of recovery and no income stretched before her. The credit union stepped in and granted a loan extension for her two loans neither of which was protected with credit disability insurance. When the extension expired she had returned to work part-time but found her body could not handle the stress and was told by her physician she risked another coronary incident. She made the difficult decision to leave her job and then to cash in \$ [REDACTED] of stock just to try to catch up with all of her creditors. Today at age [REDACTED], she is unemployed and her credit rating is in ruins. The one comment she made to us was I will never take another loan without credit insurance!

The language in the proposed disclosures is very negative and could adversely influence members who would benefit from these products as D.S. did. The proposed disclosures imply that the products are bad in some way and potentially a waste of money. We all pay for insurance and hope we will never need to use it but that is what insurance is for - to provide the safety net when the unexpected, the unforeseeable, the unimaginable happens.

We urge the Federal Reserve Board to change these disclosures so that they will instead reflect accurate, fair, and objective information about these payment protection products. The Federal Reserve can accomplish their intent to keep consumers fully informed with a far more even

handed message than is currently proposed. Thinking about buying insurance is always a tough thing for people because it makes you look at your own vulnerabilities. The government should not mandate disclosures that further exacerbate consumer anxiety.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra S. Mullins". The signature is fluid and cursive, with the first name "Sandra" and last name "Mullins" clearly distinguishable.

Sandra S. Mullins

President/CEO